

Comments by AFSCME Council 31 on the 11/07/13 Draft Waiver Concept Paper

The concept paper states that the new waiver will cover all Medicaid populations. The paper clearly speaks to desired improvements in behavioral, medical and hospital care. There are other Medicaid programs, such as the 1915c HCBS waiver for individuals with developmental disabilities, to which the paper does not speak in any programmatic way. If we are not likely to see changes to such programs under the 1115 waiver, why include them in the waiver?

- The 1915c HCBS waiver for individuals with developmental disabilities should be carved out of the waiver unless there is a plan to improve the quality of care and expand services under the new waiver.

The timeline for the development of this waiver is very ambitious. The process started in October. Stakeholders will have 10 days to read and comment on the waiver in January, and the final application will be submitted to CMS in February. We understand this means the waiver will be fleshed out and likely significantly changed during negotiations with CMS. How transparent will those negotiations be? What input will stakeholders have during the negotiations?

- HMA has said DHFS will need to seek legislative changes in the implementation phase of the waiver. To ensure lawmakers are behind whatever DHFS is discussing with CMS there should be regular legislative hearings in each chamber during the waiver negotiations detailing how covered programs will be impacted.

The concept paper speaks to “tangible savings for both the state and federal governments” as a result of the 1115 waiver. At a minimum, an 1115 waiver must be cost neutral. HMA has noted that Illinois has already cut Medicaid programs. Programs like behavioral health which are a focus of the waiver have been cut substantially. HMA has stated Illinois will be asking for a national or industry trend against which to measure savings to provide greater flexibility to the state. HMA has frequently spoken of the Oregon 1115 waiver. HMA does not see the cost savings negotiated as part of that waiver as presenting a risk to Oregon’s taxpayers or programs. We question that view. On Nov. 21, at the annual Wall Street Comes to Washington health policy conference, Carl McDonald, Director and Senior Analyst at Citi Investment Research, predicted other states would not follow Oregon’s waiver because it is such a big experiment that there must be more time to gather lessons from it.

- As DHFS negotiates the waiver with CMS, any request to modify the waiver to place greater financial risks on Illinois must be brought back to stakeholders before it is agreed.

HMA is looking for state-only expenditures to draw down additional federal dollars.

- Illinois would like to see HHS provide Medicaid match to publicly operated IMDs which provide short term inpatient stays for individuals who are experiencing acute mental illness. At minimum, state expenditures on its publicly operated IMDs should be explored for CNOM. State hospitals such as McFarland serve many Medicaid eligible individuals. This avoids Medicaid costs.

HMA has stated that program expansion and rate increases are not included in the calculation of cost neutrality. This is very important as advocates for quality care in HCBS settings are currently working to fund greatly increased wages for DSPs.

- If the Governor's office wishes to accelerate deinstitutionalization then improving the infrastructure of community care should be a priority. As HMA has stated an 1115 waiver is not needed to make that happen.

The concept paper, on page 6, states "The waiver will provide the flexibility needed to deliver appropriate and essential HCBS waiver services, also referred to as 'long-term supports and services' (LTSS), in a coordinated fashion through managed care entities and their provider networks. HMA has clarified that this concept paper misstates the degree to which managed care will be expanded under the waiver, and that the waiver will not impact any state plans to expand managed care to existing waiver services.

- AFSCME believes residential and day services for individuals with developmental disabilities should be carved out of managed care. As the document speaks to individuals having choices it only seems appropriate that where someone lives should not be determined by a third party.

On page 7 the concept paper explores the possibility of a tax on waiver providers to draw down more federal funds. Would the proceeds of such a tax be used to enhance the same type of services being taxed, or would the additional federal dollars be spread to other programs and providers?

- In the past Illinois has used provider assessments to fund other Medicaid services or improve the state fiscal situation. AFSCME predicts that an assessment on financially strapped waiver providers like agencies serving individuals with developmental disabilities would meet harsh resistance if the proceeds were not used to improve the quality of services for the same population.

The concept paper outlines a bold plan to draw down federal funding for housing to support the goals of Williams v. Quinn. While housing is needed, feedback from community mental health providers indicates a deeper array of services is also needed for those newly transitioning from institutional care.

The concept paper identifies population health as a crucial component in the effort to improve health care but clearly the specific programs and policies still need to be hammered out. We support this approach and are particularly supportive of the goal of enhancing the funding pool for local government provided services.

- The waiver should include specific plans to help local governments maintain and expand already existing local health services. For example, the Chicago Department of Public Health's mental health clinics which currently provide services to a largely uninsured population, would benefit from additional resources and better integration into the Chicago-area health care delivery system – both issues the waiver could effectively address.